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PROGRESS AGAINST POVERTY

National Council of Welfare

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Canada

PROGRESS AGAINST POVERTY

The recession-driven rise in poverty during the first half of the 'eighties appears to have ended. Results for 1985 from Statistics Canada show a decline in the risk of poverty for the population as a whole. There were 263,000 fewer low-income Canadians in 1985 than 1984.

Welcome as they are, however, the new low-income statistics are no cause for complacency. The number and percentage of Canadians living below the poverty line were still higher in 1985 than at the beginning of the decade. Certain groups - one-parent families, the young and the single elderly (most of them widows) in particular - are very vulnerable to poverty. Child poverty remains a serious problem: more than a million youngsters under age 16, or one child in every five, were being raised in low-income households at last count. Men, who are less likely to be poor than women, saw larger reductions in poverty from 1984 to 1985 than women.

Two factors help account for the decline in the poverty numbers. One involves an improvement in social program benefits; the other, a reduction in unemployment.

Elderly Canadians have seen a substantial decrease in poverty over the past several years, thanks in large part to improvements in the retirement income system. Most recently, the federal Guaranteed Income Supplement rate for single seniors was increased by \$50 a month; the raise was phased in during the latter part of 1984 (\$25 a month in July and another \$25 a month in December), so 1985 was the first year when single pensioners enjoyed the full benefit of the increase.

Rising unemployment was the chief cause of the increase in poverty during the early 'eighties. The jobless rate has eased over the past few years and doubtless contributed to the recent decline in poverty. The national unemployment rate climbed from 7.5 percent in 1980 to 11.9 percent in 1983 but fell to 11.3 percent in 1984 and 10.5 percent in 1985.

The following pages highlight key trends and statistics on poverty in Canada. The analysis is based on income data from Statistics Canada.

The 'number of poor' means the number of persons in a particular category with incomes below Statistics Canada's low income cut-offs (1978 base); the latter are explained in the National Council of Welfare's pamphlet 1987 Poverty Lines. 'Poverty rate' means the percentage of persons in a

particular category with low incomes. For example, there were an estimated 3,951,000 poor Canadians in 1985 and they represented 16.0 percent of all Canadians (3,951,000 divided by 24.7 million).

The National Council of Welfare will publish a more comprehensive study of trends in poverty, income distribution and average incomes and earnings in the 1987 edition of Poverty Profile, to be released later this year.

TABLE 1
Poverty Trends, 1969 to 1985

	<u>Families</u>		<u>Unattached Individuals</u>		<u>All Persons</u>	
	<u>poverty rate</u>	<u>number</u>	<u>poverty rate</u>	<u>number</u>	<u>poverty rate</u>	<u>number</u>
1969	20.8%	1,002,000	42.8%	693,000	23.1%	4,851,000
1979	13.1	788,000	40.3	1,011,000	15.7	3,728,000
1980	12.2	745,000	39.6	1,041,000	15.1	3,475,000
1981	12.0	768,000	37.8	962,000	14.7	3,495,000
1982	13.2	869,000	37.4	998,000	16.1	3,897,000
1983	14.0	924,000	41.3	1,091,000	17.1	4,155,000
1984	14.5	972,000	37.8	1,026,000	17.3	4,214,000
1985	13.3	908,000	36.8	1,009,000	16.0	3,951,000
<u>percentage change</u>						
1969/85	-36.1%	-9.4%	-14.0%	45.6%	-30.7%	-18.6%
1980/85	9.0	21.9	- 7.1	- 3.1	6.0	13.7
1984/85	- 8.3	-6.6	- 2.6	- 1.7	- 7.5	- 6.2

The General Picture (Table 1, Figures A and B)

An estimated 3.9 million (3,951,000) men, women and children in this country were below the poverty line in 1985. This figure represents 16 percent of the total population of 24.7 million or one Canadian in every six.

908,000 families - 13.3 percent of the 6,848,000 total - lived on a low income in 1985. Over a million unattached individuals (1,009,000) or 36.8 percent of the 2,743,000 men and women who live alone or with non-relatives were below the poverty line.

Poverty increased steadily from 1980 to 1984 but fell in 1985. Figure A shows that the number of low-income Canadians rose from 3,475,000 in 1980 to 4,214,000 in 1984 and declined to 3,951,000 in 1985.

Family Poverty

a. all families (Figures C and D)

The substantial increase in family poverty during the early 'eighties was reversed in 1985. An estimated 908,000 or 13.3 percent of all families had low incomes in 1985. These figures are higher than 1980 (when 745,000 or 12.2 percent of families were poor) but lower than 1984 (972,000 and 14.5 percent respectively). Figure C charts the trend in the number of low-income families and Figure D the rate of family poverty from 1980 to 1985.

b. single parents and couples with children (Figures E and F)

Most low-income one-parent families are headed by women. At last count (1985) an estimated 60.4 percent of female single-parent families - six in ten - were poor. Unlike most groups in the population, single mothers did not experience a reduction in poverty in 1985. Figure E shows that their poverty rate has risen steadily since 1981.

The risk of poverty for two-parent families increased substantially from 1980 (9.2 percent had low incomes) to 1984 (12.4 percent) but dipped considerably to 11.1 percent in 1985. Figure F plots the trend.

Single mothers are more than five times more likely to be poor than are families with two parents.

Larger families face a higher risk of poverty than those with few or no children. In 1985 the estimated poverty rate for childless couples was 8.8 percent, whereas the rate almost doubled to 17.0 percent for families with one child and 16.8 percent for those with two children. The poverty rate for families with three or more children was 25.0 percent or one in four in 1985.

c. poor kids (Figures G and H)

In 1985 1,126,000 children under age 16 - 19.5 percent of all children - lived in low-income families. While these figures signal a welcome respite in the upward trend (in 1984 1,209,000 or 20.8 percent of Canada's children were poor), child poverty remains a major problem in this country. One child in five is growing up in poverty.

d. families led by women and men (Figures I and J)

An estimated 331,400 families headed by women - 42.3 percent of all female-led families - had low incomes in 1985. The comparable poverty figures for families with male heads were 576,600 and 9.5 percent. (There are more poor male-led families, even though their poverty rate is much lower than that of families led by women, simply because there are so many more families in general headed by men). Families led by women run over four times the risk of poverty as families with male heads.

e. age of family head (Figures K and L)

Young families face a high risk of poverty. Almost one hundred thousand families with heads under age 25 - one-third of all young families - had low incomes in 1985, up from 30.1 percent in 1984 and 20.8 percent in 1980. There were 3,700 more low-income young families in 1985 than in 1984.

Figure K shows that the risk of poverty declines with the age of the family head until 54. Families headed by persons in the 55 to 59 age group have a higher poverty rate than those in the 45 to 54 category

(10.3 percent as opposed to 9.2 percent). In 1985, 13.6 percent of families headed by the near-aged (60 to 64) were below the low-income line. Elderly families have the second-lowest rate of poverty - 10.0 percent.

Figure L illustrates the significant progress made against poverty among elderly families. In 1980, 14.2 percent of families led by seniors had low incomes compared to 11.9 percent of non-aged families. Since then, their positions have reversed. In 1985 an estimated 10.0 percent of elderly families were poor, less than the 13.8 percent of non-aged families. However both aged and non-aged families had a lower rate of poverty in 1985 than 1984.

f. age and sex of head (Figure M)

Families headed by women under age 65 are much more apt to be poor than are those led by non-aged men. An estimated 46.7 percent of families with non-aged female heads were under the low-income line in 1985 compared to only 9.6 percent of families headed by men under 65.

The differential between the sexes is not as pronounced for elderly families. An estimated 16.5 percent of families led by women 65 and older had low incomes in 1985 compared to 9.1 percent for families with aged male heads.

g. family poverty by province (Figure N)

Figure N ranks the provinces according to their rates of family poverty. Newfoundland, at 21.0 percent, has the highest proportion of its families below the poverty line while Ontario, at half that rate (10.2 percent), has the lowest incidence of family poverty. The two provinces rank the same in their unemployment rates: Newfoundland's official jobless rate was a very high 21.3 percent in 1985 (double the national average of 10.5 percent) while Ontario, at 8 percent, had the lowest unemployment rate of all the provinces.

Family poverty increased from 1981 to 1984 in all provinces except Prince Edward Island and Manitoba. All ten provinces experienced a drop in family poverty in 1985.

Poverty Among Unattached Canadians

a. all unattached individuals (Figures O and P)

The number and percentage of unattached individuals (the term Statistics Canada uses to describe Canadians who live alone or with non-relatives) have gone down since 1983. In 1985 just over one million unattached individuals (an estimated 1,009,000) or 36.8 percent of all the unattached lived on low incomes. Unattached Canadians run almost three times the risk of poverty as persons who live in families (36.8 percent versus 13.3 percent). Figure O shows the trend in the number of low-income unattached individuals while Figure P plots the trend in the poverty rate.

b. women and men (Figure Q and R)

Poor unattached women (an estimated 632,000 in 1985) outnumber men (377,000) by a considerable margin. The poverty rate for unattached women is 41.9 percent compared to 30.5 percent for unattached men. Both groups have seen a reduction in poverty since 1983, as Figure R illustrates.

c. age (Figure S)

Young unattached Canadians run a very high risk of poverty (an estimated 48.0 percent were poor in 1985) followed closely by unattached persons aged 60 to 64 (47.4 percent) and the elderly (46.8 percent). Two in ten unattached individuals between the ages of 25 and 44 have low incomes, three in ten aged 45 to 54 and four in ten in the 55 to 59 age bracket.

d. unattached individuals by age and sex (Figures T and U)

Figure T illustrates the considerable progress that has been made in recent years in reducing poverty among the elderly unattached. However the gap between the sexes has not diminished; in fact, it was wider in 1985 than in 1980. At last count half of unattached elderly women were below the poverty line compared to only one-third of unattached men 65 and older.

The poverty rate for unattached men is much the same for those under age 65 (30.0 percent) and the elderly (33.7 percent). Unattached women, by contrast, are more likely to have low incomes in their old age: half of unattached women 65 and older were poor in 1985 compared to 36.3 percent of those under 65. Figure U illustrates the differences.

e. poverty by province (Figure V)

Figure V ranks the provinces by the percentage of their unattached residents who are below the low-income line. Unattached Quebecers have the highest poverty rate (46.4 percent) and unattached Albertans the lowest (29.3 percent). Most of the provinces are in the 30 to 40 percent range.

The Feminization of Poverty (Tables 2 and 3, Figures W and X)

Table 2 shows that women make up a larger percentage of the poor and run a higher risk of poverty than men in most categories. More than half (56.7 percent) of all low-income Canadians are female. Six in ten low-income persons between the ages of 16 and 64 are women. Seven in ten of the elderly poor are women. Women constitute 82.7 percent of the unattached aged with low incomes.

Males make up a larger percentage of the poor in the following categories: children, aged persons in families and family heads. However men constitute an even larger proportion of the total (poor and non-poor) number of family heads, which means that they are underrepresented among the poor in this category. The proportion of low-income children who are boys (51.3 percent) is the same as the proportion of all children who are boys. The only category where men make up a larger percentage of the poor than all is elderly persons living in families; 55.6 percent of the aged poor in families are men compared to 51.6 percent of all the aged in families.

Table 2 also shows that women face a higher risk of poverty than men in almost every category. The last column gives the ratio of the female to the male poverty rate. For example, families headed by women are more than four times (4.45) more likely to be poor than are male-led families. In all but two categories the figure exceeds 1.00, indicating that women have a higher poverty rate than men. The poverty rate for boys is the same as for girls (19.5 percent). Only elderly men living in families have a higher poverty rate than women (8.9 percent and 7.6 percent, respectively).

Table 3 shows that women make up a larger proportion of the low-income population than the population as a whole. In 1985, 56.7 percent of low-income Canadians were female compared to 51.0 percent of the total population. The 'proportionality index' simply divides women's share of low incomes with their share of all incomes for each category; figures over 1.00 indicate that women are overrepresented among the poor, which means that they make up a larger share of the poor than the total.

The proportionality index for all women is 1.11, so we know that women as a group are overrepresented among Canada's poor. The highest index - 3.39 - is for families led by persons under age 65; women represent 38.6 percent of poor families in this category but only 11.4 percent of all non-aged families. The only category in which women are underrepresented is elderly persons living in families; they comprise a smaller share of the poor (44.4 percent) than all the aged in families (48.4 percent).

The proportion of low-income families led by women has increased markedly over the past 25 years. Figure W plots the trend. In 1961 only 13.2 percent of poor families were headed by women. Their share climbed to 16.6 percent in 1969, 35.4 percent in 1980 and 36.5 percent in 1985. The remarkable rise in single-parent families (most of which are poor and led by women) is the major factor behind this trend.

Women have always accounted for the majority of unattached individuals with low incomes. Their share was little changed in 1985 (62.5 percent) from 1961 (62.0 percent). Figure X gives the long-term trend.

Men Benefitted Most from the Reduction in Poverty (Table 4)

Table 4 calculates the change in the low-income statistics for different categories. Overall, the number of poor Canadians fell by 263,000 from 1984 to 1985, which amounts to a 6.2 percent decrease.

Men generally enjoyed larger gains than women. The number of low-income men aged 16 to 64 went down by 8.1 percent from 1984 to 1985 compared to 5.1 percent for women in the same age group. The number of poor elderly men declined by a substantial 14.3 percent in contrast to only 0.8 percent for aged women.

There were 9.8 percent fewer low-income families led by men in 1985 than 1984 whereas the number of poor families headed by women remained virtually unchanged. However the number of poor families headed by elderly women fell by a substantial 25.1 percent in contrast to 6.5 percent for those led by men 65 and older.

The number of unattached men with low incomes dropped by 4.2 percent in 1985 but the number of poor unattached women stayed about the same. There is a large difference between elderly unattached men and women: the number of poor unattached aged men fell by 20.1 percent whereas elderly unattached women living under the poverty line actually increased their numbers by 4.0 percent from 1984 to 1985.

TABLE 2

**Poverty Distributions and Rates,
By Sex and Category, 1985**

Category	Percentage of Poor Who Are:		Poverty Rate		
	Female	Male	Female	Male	Ratio of Female to Male
All Persons	56.7%	43.3%	17.7%	14.1%	1.26
children	48.7	51.3	19.5	19.5	1.00
adults	57.3	42.7	16.0	12.3	1.30
aged	71.6	28.4	25.2	13.1	1.92
Persons in Families	54.6	45.4	14.5	12.3	1.18
children	48.7	51.3	19.5	19.5	1.00
adults	59.5	40.5	13.4	9.7	1.38
aged	44.4	55.6	7.6	8.9	0.85
all heads	36.5	63.5	42.3	9.5	4.45
aged heads	19.1	80.9	16.5	9.1	1.81
non-aged heads	38.6	61.4	46.7	9.6	4.86
Unattached					
Individuals	62.6	37.4	42.0	30.5	1.38
aged	82.7	17.3	51.0	33.6	1.52
non-aged	51.6	48.4	36.3	29.9	1.21

Note: The ratio divides the poverty rate for females by that for men for each category. The higher the figure, the larger the poverty gap between women and men.

Children are under 16, adults 16 to 64 and the aged 65 and older.

TABLE 3

Women as a Percentage of Low-Income
and All, by Category, 1985

Category	Low-Income	All	Proportionality Index
All Persons	56.7%	51.0%	1.11%
children	48.7	48.7	1.00
adults	57.3	50.9	1.13
aged	71.6	56.8	1.26
Persons in Families	54.6	50.5	1.08
children	48.7	48.7	1.00
adults	59.5	51.4	1.16
aged	44.4	48.4	0.92
all heads	36.5	11.4	3.20
aged heads	19.1	11.3	1.69
non-aged heads	38.6	11.4	3.39
Unattached Individuals	62.6	54.9	1.14
aged	82.7	75.9	1.09
non-aged	51.7	46.9	1.10

Note: Proportionality index: figures over 1.00 indicate that females are overrepresented among the poor; figures under 1.00 mean that they are underrepresented among the poor.

Children are under 16, adults 16 to 64 and the aged 65 and older.

TABLE 4

**Change in Number of Low-Income
Canadians, by Category, 1984-1985**

<u>Category</u>	<u>1984</u>	<u>1985</u>	<u>Change</u>	
			<u>Number</u>	<u>Percentage</u>
All Persons	4,214,000	3,951,000	-263,000	- 6.2%
Under 16	1,209,000	1,126,000	- 83,000	- 6.9%
16 - 64	2,484,000	2,325,000	-159,000	- 6.4%
women	1,403,500	1,332,200	- 71,300	- 5.1%
men	1,080,500	992,800	- 87,700	- 8.1%
65+	521,000	500,000	- 21,000	- 4.0%
women	355,300	358,000	- 2,700	- 0.8%
men	165,700	142,000	- 23,700	-14.3%
 Families	 972,000	 908,000	 - 64,000	 - 6.6%
Female Head	332,400	331,400	- 1,000	- 0.3%
Male Head	639,600	576,600	- 63,000	- 9.8%
Head Under 25	96,200	99,900	+ 3,700	+ 3.8%
Head 25 - 64	768,900	705,600	- 63,300	- 8.2%
Head 65+	106,900	96,200	- 10,700	-10.0%
women	24,300	18,200	- 6,100	-25.1%
men	82,600	77,200	- 5,400	- 6.5%
 Unattached Individuals	 1,026,000	 1,009,000	 - 17,000	 - 1.7%
women	632,000	631,600	- 400	- 0.1%
men	394,000	377,400	- 16,600	- 4.2%
under 25	224,700	227,000	+ 2,300	+ 1.0%
25 - 64	440,100	422,900	- 17,200	- 3.9%
65+	361,200	356,200	- 5,000	- 1.4%
women	283,200	294,600	+ 11,400	+ 4.0%
men	77,000	61,500	- 15,500	-20.1%

























